

28 JAN 1974

MEMORANDUM FOR: General Graham

SUBJECT : Consultant Contract [REDACTED]  
[REDACTED]

1. The Chairman of the EPG has advised that the consulting services of [REDACTED] of Hughes Aircraft Company (HAC) are required for timely completion of the [REDACTED] evaluation. The specific services required are a review of the error analysis associated with Electromagnetic Systems Laboratory's [REDACTED] studies, examination of the noise model therein; and review of the domestic test data contained in preliminary studies of the [REDACTED] techniques.

2. CPAG has examined a number of approaches to acquiring the needed services for the EPG. We believe that only by satelliting onto an existing contract ([REDACTED] between HAC and CIA(OWI) can the EPG obtain the necessary services in a timeframe consistent with the overall EPG activity. The work statement to be added to the [REDACTED] contract is provided in Attachment #1. CIA/OWI will be reimbursed for the necessary funding which is estimated at \$14 thousand, and which will come from IC Staff resources. Because the evaluation involves review of processing techniques developed by Electromagnetic Systems Laboratory under contract to ARPA, special provisions have been negotiated by CPAG in conjunction with the ARPA contract monitor, to enable the HAC consultant to advise the EPG without jeopardizing proprietary interests. (See Attachment #2.)

3. This entire approach has been coordinated with [REDACTED] AO/DCI, and [REDACTED] CIA/OWI contract officer. Your approval of this add-on to the OWI contract is required and will be indicated by your signature below. Recommend signature.

[REDACTED]  
Director, Collection and  
Processing Assessment Group

APPROVAL \_\_\_\_\_

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[REDACTED] AO/DCI  
[REDACTED] Approved for Release 2004/04/01 : CIA-RDP80M01082A000700280011-7

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STATEMENT OF WORK

STAT Hughes Aircraft Company, Ground Systems Group, will provide services to support the evaluation of the [ ] [ ] concept in three primary areas: noise model, error propagation model, and processing time as a function of collection scenario. The percentage of the total support effort to be expended in each area will be decided at a meeting between IC Staff representatives and Hughes representatives shortly after contract go-ahead.

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CONTROL OF SENSITIVE MATERIAL  
IN SUPPORT OF IC STAFF

PROBLEM

To provide appropriate controls on United States Government classified information supplied by the IC Staff for use in connection with a contractually authorized study by Hughes Aircraft Company personnel, and to confirm that Hughes Aircraft Company's acceptance of such information is conditional on an understanding that the Government agrees that the controls set forth herein will protect Hughes Aircraft Company from any and all types of exclusion from competition on United States Government programs which may in any way relate to information provided.

DISCUSSION

It is understood that United States Government Classified Information directly related to current and future United States defense planning will be provided to the Hughes Aircraft Company to the extent necessary for Hughes Aircraft Company personnel to perform support studies from time to time for the IC Staff. Because it might be alleged that portions of this information could potentially provide Hughes Aircraft Company with an advantageous competitive position in bidding on certain future United States Government programs, it is necessary for Hughes Aircraft Company to take adequate precautions to assure that limited access controls are applied to this material. It is further necessary that limited access controls be placed on all material generated by the Hughes Aircraft Company for the IC Staff which might contain classified information related to current and future United States Government defense planning.

PROPOSED SOLUTION

All United States Government classified information which bears on current and future United States defense planning and which is specifically designated by an authorized Government representative as containing information the uncontrolled dissemination of which through the company might potentially exclude the Hughes Aircraft Company from competition on other United States Government programs

will be sent by the Government to Hughes Aircraft Company through special communication channels and be placed, when received, under the control of a special Hughes Aircraft Company security control officer. This material will be logged into the company by the control officer.

Storage of all such material will be in an approved security container located in a specifically designated, approved room within the special area on the second floor of Building No. 600 at Hughes Aircraft Company, Ground Systems Group, Fullerton, California, plant. This room will be protected by CIA-approved lock and alarms as are required to protect TOP SECRET material. This room will remain locked from within when material is being utilized. Access to this storage container will be controlled by the Project Security Officer.

Approved personnel on a need-to-know basis, who possess appropriate security clearances, will have access to this material or to any Hughes Aircraft Company generated material on this program. The names of personnel requiring access will be submitted to the ICS project office and if approved will be so designated in writing by the Program Manager or his alternate to the Project Security Officer. Approved employees will be briefed and required to execute an agreement which defines the conditions under which they are granted access to the material.

Only the Project Security Officer and the designated custodian of the material will be authorized to release material for use by these approved personnel.

PROPOSED AGREEMENT

I understand that as a result of my association with the Defensive Systems Analysis Center, Ground Systems Group, Hughes Aircraft Company, I will be the recipient of classified defense information having a direct and current bearing on the defense posture of the United States.

I fully understand and affirm by my signature hereon that I will never publish, or reveal by any other means, to unauthorized persons, information referred to by this agreement except in accordance with the security laws of the United States and the special security procedures which are established at Hughes Aircraft Company on this program.

I take this obligation freely, without mental reservation or purpose of evasion and in the absence of duress.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Witness